

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

MOR - 3

March 31, 2003

	Hayden-Guich West Coal Company	H-G Coal Company	Eliminations between Filing Entities	Conversion to Equity Method	Reporting Reclasses
ASSETS					
Current Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	-	-	-	-	-
Inventories	-	-	-	-	-
Deferred income taxes	-	-	-	-	(7,406,045)
Other current assets	-	-	-	-	-
Total Current Assets	-	-	-	-	(7,406,045)
Properties and equipment, net	-	-	-	-	-
Goodwill	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-
Deferred income taxes	-	-	-	-	(202,107,960)
Asbestos-related insurance receivable	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-
Investment in filing and non-filing entities	-	-	(1,315,702,717)	53,139,455	-
Other assets	-	-	(1,101,282)	-	-
Total Assets	\$ -	\$ -	\$ (1,316,803,999)	\$ 53,139,455	\$ (209,514,005)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)					
Liabilities Not Subject to Compromise					
Current Liabilities					
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	5,000,000
Income taxes payable	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	(18,106,045)
Other current liabilities	-	-	-	-	-
Total Current Liabilities	-	-	-	-	(13,106,045)
Long-term debt - DIP facility	-	-	-	-	-
Deferred income taxes	-	-	-	-	(202,107,960)
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-
Other liabilities	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	(215,214,005)
Liabilities Subject to Compromise					
Debt, pre-petition plus accrued interest	-	-	-	-	-
Accounts payable	-	-	-	-	-
Income taxes payable	-	-	-	-	-
Asbestos-related liability	-	-	-	-	-
Other liabilities	-	-	(100,000)	-	-
Total Liabilities Subject to Compromise	-	-	(100,000)	-	-
Total Liabilities	-	-	(100,000)	-	(215,214,005)
Shareholders' Equity (Deficit)					
Preferred Stock	-	-	-	-	-
Common Stock	-	-	(86,493,960)	-	-
Paid in capital	-	-	(1,192,770,000)	-	-
(Accumulated deficit)/Retained earnings	-	-	(37,440,039)	108,252,224	-
Treasury stock, at cost	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	(55,112,769)	5,700,000
Total Shareholders' Equity (Deficit)	-	-	(1,316,703,999)	53,139,455	5,700,000
Total Liabilities and Shareholders' Equity (Deficit)	\$ -	\$ -	\$ (1,316,803,999)	\$ 53,139,455	\$ (209,514,005)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities Combining Balance Sheet MOR - 3 March 31, 2003	
	COMBINED FILING ENTITIES
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 21,283,131
Accounts and other receivables, net	110,064,672
Receivables from/(payables to) filing and non-filing entities, net	39,711,643
Inventories	74,196,365
Deferred income taxes	21,617,074
Other current assets	21,135,040
Total Current Assets	288,007,924
Properties and equipment, net	388,502,413
Goodwill	14,499,090
Cash value of company owned life insurance, net of policy loans	87,724,394
Deferred income taxes	573,887,406
Asbestos-related insurance receivable	281,579,478
Loans receivable from/(payable to) filing and non-filing entities, net	460,599,715
Investment in filing and non-filing entities	258,731,527
Other assets	92,024,861
Total Assets	\$ 2,445,556,808
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)	
Liabilities Not Subject to Compromise	
Current Liabilities	
Short-term debt	\$ 0
Accounts payable	49,140,669
Income taxes payable	5,000,040
Asbestos-related liability expected to be disbursed within one year	(0)
Other current liabilities	35,862,667
Total Current Liabilities	90,003,376
Long-term debt - DIP facility	0
Deferred income taxes	-
Asbestos-related liability expected to be disbursed after one year	(0)
Other liabilities	234,882,291
Total Liabilities Not Subject to Compromise	324,885,667
Liabilities Subject to Compromise	
Debt, pre-petition plus accrued interest	541,740,454
Accounts payable	32,144,064
Income taxes payable	232,559,478
Asbestos-related liability	970,912,287
Other liabilities	558,218,933
Total Liabilities Subject to Compromise	2,335,575,216
Total Liabilities	2,660,460,883
Shareholders' Equity (Deficit)	
Preferred Stock	112
Common Stock	772,474
Paid in capital	432,214,490
(Accumulated deficit)/Retained earnings	(117,954,905)
Treasury stock, at cost	(136,091,108)
Accumulated other comprehensive loss	(393,845,137)
Total Shareholders' Equity (Deficit)	(214,904,074)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 2,445,556,808

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

Chart 5

W. R. Grace & Co. - Conn Status of Postpetition Taxes MOR-4 March 31, 2003				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
Federal				
Withholding	\$ (41)	\$ 4,909,872	\$ (4,909,831)	\$ -
FICA - Employee	9,265	1,954,888	(1,961,049)	3,104
FICA and payroll- Employer	593,112	1,954,881	(2,051,677)	496,316
Unemployment	-	76,629	(76,629)	-
Other	-	-	-	-
Total Federal Taxes	\$ 602,336	\$ 8,896,270	\$ (8,999,186)	\$ 499,420
State and Local				
Withholding	\$ 1,443	\$ 1,272,362	\$ (1,272,225)	\$ 1,580
Sales & Use	1,819,208	445,291	(764,378)	1,500,121
Property Taxes	1,496,505	376,661	(44,790)	1,828,376
Other	-	-	-	-
Total State and Local	\$ 3,317,156	\$ 2,094,314	\$ (2,081,393)	\$ 3,330,077
Total Taxes	\$ 3,919,492	\$ 10,990,584	\$ (11,080,579)	\$ 3,829,497

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR - 5) for attestation related to accounts payable and tax obligations.

Chart 5

Remedium Group, Inc. Status of Postpetition Taxes MOR-4 March 31, 2003				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
Federal				
Withholding	\$ -	\$ 40,596	\$ (40,596)	\$ -
FICA - Employee	-	14,702	(14,702)	-
FICA and payroll- Employer	-	14,702	(14,702)	-
Unemployment	-	(98)	98	-
Other	-	-	-	-
Total Federal Taxes	\$ -	\$ 69,902	\$ (69,902)	\$ -
State and Local				
Withholding	\$ -	\$ 1,361	\$ (1,361)	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
Total State and Local	\$ -	\$ 1,361	\$ (1,361)	\$ -
Total Taxes	\$ -	\$ 71,263	\$ (71,263)	\$ -

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

Grace Washington, Inc. Status of Postpetition Taxes MOR-4 March 31, 2003				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
Federal				
Withholding	\$ -	\$ 22,742	\$ (22,742)	\$ -
FICA - Employee	-	4,735	(4,735)	-
FICA and payroll- Employer	(36)	4,735	(4,735)	(36)
Unemployment	-	-	-	-
Other	-	-	-	-
Total Federal Taxes	\$ (36)	\$ 32,212	\$ (32,212)	\$ (36)
State and Local				
Withholding	\$ -	\$ 4,714	\$ (4,714)	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
Total State and Local	\$ -	\$ 4,714	\$ (4,714)	\$ -
Total Taxes	\$ (36)	\$ 36,926	\$ (36,926)	\$ (36)

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

L B Realty, Inc. Status of Postpetition Taxes MOR-4 March 31, 2003				
	Beginning Tax Liability	Amount, Withheld or Accrued	Amount Paid	Ending Tax Liability
Federal				
Withholding	\$ -	\$ -	\$ -	\$ -
FICA - Employee	-	-	-	-
FICA and payroll- Employer	-	-	-	-
Unemployment	-	-	-	-
Other	-	-	-	-
Total Federal Taxes	\$ -	\$ -	\$ -	\$ -
State and Local				
Withholding	\$ -	\$ -	\$ -	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
Total State and Local	\$ -	\$ -	\$ -	\$ -
Total Taxes	\$ -	\$ -	\$ -	\$ -

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

Darex Puerto Rico, Inc. Status of Postpetition Taxes MOR-4 March 31, 2003				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
Federal				
Withholding	\$ -	\$ -	\$ -	\$ -
FICA - Employee	42	1,160	(1,395)	(193)
FICA and payroll- Employer	575	1,160	(1,448)	287
Unemployment	-	296	(296)	-
Other	-	-	-	-
Total Federal Taxes	\$ 617	\$ 2,616	\$ (3,139)	\$ 94
State and Local				
Withholding	\$ -	\$ 1,916	\$ (1,916)	\$ -
Sales & Use	-	-	-	-
Property Taxes	247,075	4,064	(1)	251,138
Other	-	-	-	-
Total State and Local	\$ 247,075	\$ 5,980	\$ (1,917)	\$ 251,138
Total Taxes	\$ 247,692	\$ 8,596	\$ (5,056)	\$ 251,232

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR - 5) for attestation related to accounts payable and tax obligations.

Chart 6

W. R. Grace & Co. - Conn Accounts Receivable Reconciliation and Aging MOR-5 March 2003	
Trade Accounts Receivable Reconciliation	
Trade accounts receivable, beginning of month, gross	\$ 100,769,165
Amounts billed during the period	65,283,953
Amounts collected during the period	(68,316,094)
Other	2,107,557
Trade accounts receivable at the end of month, gross	\$ 99,844,581
Trade Accounts Receivable Aging	
Current	\$ 70,338,912
1-30 days past due	22,302,645
31-60 days past due	4,404,899
+61 days past due	2,798,125
Trade accounts receivable, gross	99,844,581
Allowance for doubtful accounts	(920,489)
Trade accounts receivable, net	\$ 98,924,092
Notes and Accounts Receivable Reconciliation	
Trade accounts receivable, net	\$ 98,924,092
Customer notes and drafts receivable	596,885
Pending customer credit notes	5,707
Advances and deposits	5,812,515
Nontrade receivables, net	2,183,298
Total notes and accounts receivable, net	\$ 107,522,497

Chart 6

Remedium Group, Inc. Accounts Receivable Reconciliation and Aging MOR-5 March 2003	
Trade Accounts Receivable Reconciliation	
Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -
Trade Accounts Receivable Aging	
Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -
Notes and Accounts Receivable Reconciliation	
Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	23,965
Total notes and accounts receivable, net	\$ 23,965

Chart 6

Darex Puerto Rico, Inc. Accounts Receivable Reconciliation and Aging MOR-5 March 2003	
Trade Accounts Receivable Reconciliation	
Trade accounts receivable, beginning of month, gross	\$ 2,702,273
Amounts billed during the period	613,851
Amounts collected during the period	(739,137)
Other	(106,139)
Trade accounts receivable at the end of month, gross	\$ 2,470,848
Trade Accounts Receivable Aging	
Current	\$ 1,521,244
1-30 days past due	288,452
31-60 days past due	284,159
+61 days past due	376,993
Trade accounts receivable, gross	2,470,848
Allowance for doubtful accounts	(34,625)
Trade accounts receivable, net	\$ 2,436,223
Notes and Accounts Receivable Reconciliation	
Trade accounts receivable, net	\$ 2,436,223
Customer notes and drafts receivable	-
Pending customer credit notes	(319)
Advances and deposits	-
Nontrade receivables, net	3,148
Total notes and accounts receivable, net	\$ 2,439,052

Chart 6

Grace Europe, Inc.
Accounts Receivable Reconciliation and Aging
MOR-5
March 2003

Trade Accounts Receivable Reconciliation

Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -

Trade Accounts Receivable Aging

Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -

Notes and Accounts Receivable Reconciliation

Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	79,159
Total notes and accounts receivable, net	\$ 79,159

	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account for this reporting period? If yes, provide an explanation below.		See Note #5 below
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X	
5. Are post-petition accounts payable and tax obligations current and paid to date? If no, provide an explanation.	X (unless disputed in normal course of business)	

As part of the first day orders submitted to the court on April 2, 2001, an application for the Debtors to (a) continue and maintain their consolidated cash management system, (b) continue and maintain their existing bank accounts and (c) continue to use existing business forms and granting related relief was included. The Debtors have continued to use their existing bank accounts and no new debtor in possession accounts have been established.

List assets sold/transferred outside the normal course of business over \$25,000:		
Description of Asset	Sale Date	Proceeds

Combined Chapter 11 Filing Entity Statements

Chart 8

W. R. Grace & Co. - Chapter 11 Filing Entities
Combined Statement of Operations

Amounts in millions	Month Ended March 31, 2003	Year to Date March 31, 2003	Cumulative Since Filing
Net sales to third parties	\$ 65.9	\$ 192.7	\$ 1,702.0
Net sales to non-filing entities	12.4	33.0	268.2
Interest and royalties from non-filing entities	3.9	11.0	90.1
Other income	1.4	6.7	27.4
	83.6	243.4	2,087.7
Cost of goods sold to third parties	47.2	134.6	1,067.8
Cost of goods sold to non-filing entities	9.1	23.7	193.2
Selling, general and administrative expenses	25.7	71.1	537.6
Research and development expenses	3.9	10.9	82.7
Depreciation and amortization	5.2	15.5	119.6
Interest expense	1.4	4.2	50.5
	92.5	260.0	2,051.4
(Loss) income before Chapter 11 expenses, income taxes and equity in net income of non-filing entities	(8.9)	(16.6)	36.3
Chapter 11 expenses, net	(1.1)	(2.7)	(45.5)
Benefit from (provision for) income taxes	1.4	2.1	(36.7)
Equity in net income of non-filing entities	7.0	14.9	129.6
Net (loss) income	\$ (1.6)	\$ (2.3)	\$ 83.7

The Notes to Combined Financial Statements are an integral part of these statements.

Chart 9

W. R. Grace & Co. - Chapter 11 Filing Entities
Combined Functional Basis Statement of Cash Flows

Amounts in millions	Month Ended March 31, 2003	Year to Date March 31, 2003	Cumulative Since Filing
Core operations cash flow			
Pre-tax (loss) income from core operations	\$ (2.6)	\$ (5.4)	\$ 176.2
Depreciation and amortization	5.2	15.5	119.6
	2.6	10.1	295.8
Changes in all core assets/liabilities and other	(8.5)	(13.2)	26.6
Net increase in accounts receivable due to termination of the securitization program	-	-	(64.8)
	(5.9)	(3.1)	257.6
Capital expenditures	(6.0)	(14.0)	(108.0)
Core Pre-tax Operating Cash Flow	(11.9)	(17.1)	149.6
Charges against core reserves			
Pension liabilities	(0.4)	(1.1)	(9.0)
Deferred compensation	(0.2)	(0.2)	(3.3)
Self insurance	-	-	(2.0)
Total Spending Against Core Reserves	(0.6)	(1.3)	(14.3)
Core Cash Flow	(12.5)	(18.4)	135.3
Noncore cash flow			
Proceeds from asset sales	0.7	0.7	5.7
Benefit proceeds under life insurance policies	2.4	3.6	32.1
Other noncore pretax cash flow	(0.9)	(1.8)	(3.4)
Noncore Pre-tax Cash Flow	2.2	2.5	34.4
Charges against noncore reserves			
Asbestos			
Asbestos claims processing	(0.9)	(2.3)	(21.9)
Asbestos - insurance recovery	1.1	1.1	59.0
Net asbestos receipts (payments)	0.2	(1.2)	37.1
Environmental remediation	(0.6)	(3.1)	(43.2)
Retained obligations and other	0.1	-	(9.6)
Postretirement benefits	(0.8)	(3.1)	(41.3)
Total Spending Against Noncore Reserves	(1.1)	(7.4)	(57.0)
Noncore Cash Flow	1.1	(4.9)	(22.6)
Total Pre-tax/Pre-Interest/Pre-Chapter 11 Cash Flow	(11.4)	(23.3)	112.7
Cash paid for taxes, net of refunds	(0.5)	0.5	(3.5)
Cash paid for interest	(1.5)	(0.9)	(2.8)
Chapter 11 reorganization expenses paid	(1.3)	(3.8)	(37.5)
Cash Flow before Strategic Investments	(14.7)	(27.5)	68.9
Strategic Investments			
Cash paid for businesses acquired	-	-	(4.0)
Repurchase of treasury stock	-	-	(0.6)
Cash used for Strategic Investments	-	-	(4.6)
Cash Flow after Strategic Investments	(14.7)	(27.5)	64.3
Borrowings (repayments) under DIP facility	(2.0)	(2.2)	(5.0)
Net (investing)/financing activities under life insurance policies	(0.6)	(5.8)	(46.6)
Net Cash Flow	\$ (17.3)	\$ (35.5)	\$ 12.7

The Notes to Combined Financial Statements are an integral part of these statements.

Chart 10

W. R. Grace & Co. - Chapter 11 Filing Entities Combined Balance Sheet			
Amounts in millions	March 31, 2003	December 31, 2002	April 2, 2001
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 21.3	\$ 56.8	\$ 8.6
Accounts and other receivables, net	110.1	115.0	43.8
Receivables from non-filing entities, net	39.7	41.3	51.2
Inventories	74.2	70.5	80.6
Deferred income taxes	21.6	22.2	80.9
Asbestos-related insurance expected to be realized within one year	-	-	17.0
Other current assets	21.1	30.8	21.9
Total Current Assets	288.0	336.6	304.0
Properties and equipment, net	388.5	389.7	400.4
Goodwill, net	14.5	14.5	13.6
Cash value of life insurance policies, net of policy loans	87.7	82.4	64.1
Deferred income taxes	573.9	567.0	401.0
Asbestos-related insurance expected to be realized after one year	281.6	282.6	323.4
Loans receivable from non-filing entities, net	460.6	444.4	387.5
Investment in non-filing entities	258.8	241.4	121.0
Other assets	92.1	82.9	308.5
Total Assets	\$ 2,445.7	\$ 2,441.5	\$ 2,323.5
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)			
Liabilities Not Subject to Compromise			
Current Liabilities			
Debt payable within one year	\$ -	-	-
Accounts payable	49.2	41.2	-
Income Taxes Payable	4.9	5.0	-
Other current liabilities	36.0	53.1	-
Total Current Liabilities	90.1	99.3	-
Debt payable after one year	-	-	-
Other liabilities	234.8	229.6	31.8
Total Liabilities Not Subject to Compromise	324.9	328.9	31.8
Liabilities Subject to Compromise			
Debt, pre-petition plus accrued interest	541.7	538.8	511.5
Accounts payable	32.1	32.4	43.0
Income taxes payable	232.6	231.1	210.1
Asbestos-related liability	970.9	973.2	1,002.8
Other liabilities	558.4	559.2	598.6
Total Liabilities Subject to Compromise	2,335.7	2,334.7	2,366.0
Total Liabilities	2,660.6	2,663.6	2,397.8
Shareholders' Equity (Deficit)			
Common stock	0.8	0.8	0.8
Paid in capital	432.2	433.0	432.6
Accumulated deficit	(118.0)	(115.7)	(201.8)
Treasury stock, at cost	(136.1)	(137.0)	(136.4)
Accumulated other comprehensive income (loss)	(393.8)	(403.2)	(169.5)
Total Shareholders' Equity (Deficit)	(214.9)	(222.1)	(74.3)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 2,445.7	\$ 2,441.5	\$ 2,323.5

The Notes to Combined Financial Statements are an integral part of these statements.

W. R. Grace & Co.
Notes to Combined Financial Statements
March 31, 2003

1. Basis of Presentation and Summary of Significant Accounting and Financial Reporting Policies

W. R. Grace & Co., through its subsidiaries, is engaged in specialty chemicals and specialty materials businesses on a worldwide basis. These businesses consist of catalysts and silica products ("Davison Chemicals") and construction chemicals, building materials and sealants and coatings ("Performance Chemicals").

W. R. Grace & Co. conducts substantially all of its business through a direct, wholly owned subsidiary, W. R. Grace & Co.-Conn. ("Grace-Conn."). Grace-Conn. owns substantially all of the assets, properties and rights of W. R. Grace & Co., either directly or through subsidiaries.

As used in these notes, the term "Company" refers to W. R. Grace & Co. The term "Grace" refers to the Company and/or one or more of its subsidiaries and, in certain cases, their respective predecessors.

VOLUNTARY BANKRUPTCY FILING

In response to a sharply increasing number of asbestos-related bodily injury claims, on April 2, 2001 (the "Filing Date"), W. R. Grace & Co. and 61 of its United States subsidiaries and affiliates, including Grace-Conn. (collectively, the "Debtors"), filed voluntary petitions for reorganization (the "Filing") under Chapter 11 of the United States Bankruptcy Code ("Chapter 11" or the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The cases were consolidated and are being jointly administered under case number 01-01139 (the "Chapter 11 Cases"). Grace's non-U.S. subsidiaries and certain of its U.S. subsidiaries were not included in the Filing.

During 2000 and the first quarter of 2001, Grace experienced several adverse developments in its asbestos-related litigation, including: a significant increase in bodily injury claims, higher than expected costs to resolve bodily injury and certain property damage claims, and class action lawsuits alleging damages from a former attic insulation product. After a thorough review of these

developments, the Board of Directors of Grace concluded on April 2, 2001 that a federal court-supervised Chapter 11 filing provided the best forum available to achieve predictability and fairness in the claims settlement process.

By filing under Chapter 11, Grace expects to be able to both obtain a comprehensive resolution of the claims against it and preserve the inherent value of its businesses. Under Chapter 11, the Debtors expect to continue to operate their businesses as debtors-in-possession under court protection from their creditors and claimants, while using the Chapter 11 process to develop and implement a plan for addressing the asbestos-related claims against them.

Consequence of Filing – As a consequence of the Filing, pending litigation against the Debtors for pre-petition matters is generally stayed (subject to certain exceptions in the case of governmental authorities), and no party may take action to realize its pre-petition claims except pursuant to an order of the Bankruptcy Court.

The Debtors intend to address all of their pending and future asbestos-related claims and all other pre-petition claims in a plan of reorganization. Such a plan of reorganization may include the establishment of a trust through which all pending and future asbestos-related claims would be channeled for resolution. However, it is currently impossible to predict with any degree of certainty the amount that would be required to be contributed to the trust, how the trust would be funded, how other pre-petition claims would be treated or what impact any reorganization plan may have on the shares of common stock of the Company. The interests of the Company's shareholders could be substantially diluted or cancelled under a plan of reorganization. The formulation and implementation of the plan of reorganization is expected to take a significant period of time.

Status of Chapter 11 Proceedings – Since the Filing, all motions necessary to conduct normal business activities have been approved by the Bankruptcy Court. In addition, the Debtors have received approval from the Bankruptcy Court to pay or otherwise honor certain of its pre-petition obligations in the ordinary course of business,

including employee wages and benefits, customer programs, shipping charges, and a limited amount of claims of essential trade creditors.

As provided by the Bankruptcy Code, the Debtors had the exclusive right to propose a plan of reorganization for a 120-day period following the Filing Date. The Debtors have received an extension of their exclusivity period during which to file a plan of reorganization through August 1, 2003, and an extension of the Debtors' exclusive rights to solicit acceptances of a reorganization plan through October 1, 2003.

Three creditors' committees, two representing asbestos claimants and the third representing other unsecured creditors, and a committee representing shareholders have been appointed in the Chapter 11 Cases. These committees will have the right to be heard on all matters that come before the Bankruptcy Court and, together with a legal representative of future asbestos claimants (whom Grace expects to be appointed by the Bankruptcy Court in the future), are likely to play important roles in the Chapter 11 Cases. The Debtors are required to bear certain of the committees' and the future asbestos claimants representative's costs and expenses, including those of their counsel and financial advisors.

The Debtors' Chapter 11 cases have been assigned to Judge Alfred M. Wolin, a senior federal judge who sits in Newark, New Jersey. Judge Wolin is presiding over asbestos bodily injury matters and the fraudulent conveyance litigation described below. He has assigned the Debtors' other bankruptcy matters to Judge Judith Fitzgerald, a U.S. bankruptcy judge from the Western District of Pennsylvania, sitting in Wilmington, Delaware.

The Bankruptcy Court established a bar date of March 31, 2003 for claims of general unsecured creditors, asbestos property damage claims and medical monitoring claims related to asbestos. The bar date did not apply to asbestos-related bodily injury claims or claims related to Zonolite® Attic Insulation, which will be dealt with separately. Rust Consulting, the court-approved claims handling agent for the Chapter 11 Cases, is maintaining a register of all claims filed. Grace is cataloguing claims as filed and assessing their validity. As a large portion of claims were filed in the two weeks prior to

the bar date, it will likely take several months to assess the validity of all claims filed and to develop a plan to address these claims through the bankruptcy process. At this time, it is not possible to estimate the value of all claims that will ultimately be allowed by the Bankruptcy Court, due to the uncertainties of the Chapter 11 process, the in-progress state of Grace's investigation of submitted claims, and the lack of documentation submitted in support of many claims.

In July 2002, the Bankruptcy Court approved special counsel to represent the ZAI claimants, at the Debtors' expense, in a proceeding to determine certain threshold scientific issues regarding ZAI. The court has set a litigation schedule that would result in pretrial hearings on these issues in the third quarter of 2003.

On November 29, 2002, Sealed Air Corporation ("Sealed Air") and Fresenius Medical Care AG ("Fresenius") each announced that they had reached agreements in principle with the Official Committee of Asbestos Personal Injury Claimants and the Official Committee of Asbestos Property Damage Claimants to settle asbestos and fraudulent conveyance claims related to the 1998 transaction involving Grace's former packaging business and Sealed Air, and the 1996 transaction involving Grace's former medical care business and Fresenius, respectively. Under the terms of the proposed Sealed Air settlement, Sealed Air would make a payment of \$512.5 million (plus interest at 5.5% per annum, commencing on December 21, 2002) and nine million shares of Sealed Air common stock, valued at \$361.2 million as of March 31, 2003, as directed by the Bankruptcy Court upon confirmation of Grace's plan of reorganization and the fulfillment of specified conditions. Under the terms of the proposed Fresenius settlement, as subsequently revised, Fresenius would contribute \$115.0 million to the Grace estate, or as otherwise directed by the Bankruptcy Court, upon confirmation of a plan of reorganization. The Sealed Air and Fresenius settlements are subject to the approval of the Bankruptcy Court and the fulfillment of specified conditions. Grace is unable to predict how these settlements may ultimately affect its plan of reorganization.

Impact on Debt Capital – All of the Debtors' pre-petition debt is in default due to the Filing. The accompanying Consolidated Balance Sheet as of March 31, 2003 reflects the classification of the Debtors' pre-petition debt within "liabilities subject to compromise."

The Debtors have entered into a debtor-in-possession post-petition loan and security agreement with Bank of America, N. A. (the "DIP facility") in the aggregate amount of \$250 million. The term of the DIP facility, originally set to expire April 1, 2003, has been extended for up to an additional three years through April 2006.

Accounting Impact – The accompanying Consolidated Financial Statements have been prepared in accordance with Statement of Position 90-7 ("SOP 90-7") "Financial Reporting by Entities in Reorganization Under the Bankruptcy Code," promulgated by the American Institute of Certified Public Accountants. SOP 90-7 requires that financial statements of debtors-in-possession be prepared on a going concern basis, which contemplates continuity of operations, realization of assets and liquidation of liabilities in the ordinary course of business. However, as a result of the Filing, the realization of certain Debtors' assets and the liquidation of certain Debtors' liabilities are subject to significant uncertainty. While operating as debtors-in-possession, the Debtors may sell or otherwise dispose of assets and liquidate or settle liabilities for amounts other than those reflected in the Consolidated Financial Statements. Further, a plan of reorganization could materially change the amounts and classifications reported in the Consolidated Financial Statements, which do not currently give effect to any adjustments to the carrying value or classification of assets or liabilities that might be necessary as a consequence of a plan of reorganization.

Pursuant to SOP 90-7, Grace's pre-petition liabilities that are subject to compromise are required to be reported separately on the balance sheet at an estimate of the amount that will ultimately be allowed by the Bankruptcy Court. As of March 31, 2003, such pre-petition liabilities include fixed obligations (such as debt and contractual commitments) as well as estimates of costs related to contingent liabilities (such as asbestos-related litigation, environmental

remediation, and other claims). The recorded amounts of such liabilities generally reflect accounting measurements as of the Filing Date, adjusted as warranted for changes in facts and circumstances and/or rulings under Grace's Chapter 11 proceedings subsequent to the Filing. (See Note 3 to the Consolidated Financial Statements for detail of the liabilities subject to compromise as of March 31, 2003, and as of the Filing Date.) Obligations of Grace subsidiaries not covered by the Filing continue to be classified on the Consolidated Balance Sheet based upon maturity dates or the expected dates of payment. SOP 90-7 also requires separate reporting of certain expenses, realized gains and losses, and provisions for losses related to the Filing as reorganization items.

Basis of Presentation

The interim Combined Financial Statements presented herein represent the results of operations, cash flows and financial position of the Debtors. These financial statements pertain to periods beginning with, and subsequent to, the Filing Date and have been prepared in conformity with requirements of the Bankruptcy Court. Consequently, these financial statements do not purport to present the financial performance of W. R. Grace & Co. in conformity with generally accepted accounting principles which would require the consolidation of all controlled subsidiaries and more extensive notes and analysis related to the worldwide operations of W. R. Grace & Co. Financial activity of non-Debtor entities is not presented herein. However, all non-Debtor entities are either directly or indirectly controlled by the Debtors and, accordingly, non-Debtor financial results are reflected under the equity method of accounting. These financial statements are unaudited and should be read in conjunction with the consolidated financial statements presented in W. R. Grace & Co.'s 2002 Form 10-K and, when filed, its 2003 Form 10-K and other periodic filings with the U.S. Securities and Exchange Commission.

These interim Consolidated Financial Statements reflect all adjustments that, in the opinion of management, are necessary for a fair presentation of the results of the interim periods presented under generally accepted accounting principles; all such adjustments are of a normal recurring nature. All significant inter-Debtor accounts and transactions have been eliminated. Transactions and balances with non-Debtor entities are separately disclosed.

Certain amounts in prior years' Consolidated Financial Statements have been reclassified to conform to the 2003 presentation.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principals requires that management make estimates and assumptions affecting the assets and liabilities reported at the date of the Consolidated Financial Statements, and the revenues and expenses reported for the periods presented. Actual amounts could differ from those estimates. Changes in estimates are recorded in the period identified. Grace's accounting measurements that are most affected by management's estimates of future events are:

- Contingent liabilities such as asbestos-related matters, environmental remediation, income taxes and retained obligations of divested businesses.
- Pension and post-retirement liabilities that depend on assumptions regarding discount rates and/or total returns on invested funds.
- Depreciation and amortization periods for long-lived assets, including property and equipment, intangible, and other assets.
- Realization values of various assets such as trade receivables, inventories, insurance receivables, income taxes, and goodwill.

The accuracy of these and other estimates may also be materially affected by the uncertainties arising under the Chapter 11 Cases.

2. Chapter 11 Related Financial Information

As a result of the Filing, Grace's Consolidated Balance Sheet separately identifies the liabilities that are "subject to compromise" as a result of the Chapter 11 proceedings. In Grace's case, "liabilities subject to compromise" represent pre-petition liabilities as determined under U.S. generally accepted accounting principles. Changes to the recorded amount of such liabilities will be based on developments in the Chapter 11 Cases and management's assessment of the claim amounts that will ultimately be allowed by the Bankruptcy Court. Changes to pre-petition liabilities subsequent to the

Filing Date reflect: 1) cash payments under approved court orders; 2) the accrual of interest on pre-petition debt at the pre-petition contractual rate; 3) accruals for employee-related programs; and 4) changes in estimates related to pre-petition contingent liabilities and assets.

Set forth below is a reconciliation of the changes in pre-filing date liability balances for the period from the Filing Date through March 31, 2003.

<i>(Dollars in millions)</i>	Current Month	Cumulative Since Filing
Balance, beginning of period	\$ 2,331.9	\$ 2,366.0
Cash disbursements and/or reclassifications under bankruptcy court orders:		
Freight and distribution order	--	(5.7)
Trade accounts payable order	--	(9.1)
Other court orders including employee wages and benefits, sales and use tax and customer programs	(2.1)	(154.2)
Expense/(income) items:		
Interest on pre-petition debt	1.0	38.5
Current period employment-related accruals	2.1	19.0
Change in estimate of environmental contingencies	2.0	78.5
Change in estimate of income tax contingencies	4.3	24.8
Balance sheet reclassifications	(3.5)	(22.1)
Balance, end of period	\$ 2,335.7	\$ 2,335.7

Pre-Filing Date obligations allowable under current court orders and expected to be paid prior to an adopted plan or reorganization are classified as "liabilities not subject to compromise." Additional liabilities subject to compromise may arise due to the rejection of executory contracts or unexpired leases, or as a result of the allowance of contingent or disputed claims.

3. Other Balance Sheet Accounts

(Dollars in millions)	March 31, 2003	Filing Date
Accounts and other receivables, net		
Trade receivables, less allowance of \$1.0 (Filing Date - \$0.7).....	\$ 102.0	\$ 32.3
Other receivables, less allowance of \$1.7 (Filing Date - \$2.1).....	8.1	11.5
	\$ 110.1	\$ 43.8
Inventories		
Raw materials	\$ 18.2	\$ 20.3
In process	21.4	16.2
Finished products	59.2	63.8
General merchandise	10.0	9.6
Less: Adjustment of certain inventories to a last-in/first-out (LIFO) basis	(34.6)	(29.3)
	\$ 74.2	\$ 80.6
Other Assets		
Deferred pension costs	\$ 3.4	\$ 227.9
Deferred charges	28.6	40.4
Long-term receivables.....	10.2	1.9
Long-term investments	-	2.1
Patents, licenses and other intangible assets	19.6	25.2
Pension - unamortized prior service cost	26.4	8.1
Other assets	5.3	2.9
	\$ 93.5	\$ 308.5
Other Current Liabilities		
Accrued compensation	\$ 8.8	\$ -
Accrued commissions	3.3	-
Customer programs	6.3	-
Accrued utilities	0.1	-
Accrued freight	2.3	-
Other accrued liabilities	14.5	-
	\$ 35.3	\$ -
Other Liabilities		
Deferred royalty income-nonfiling entities	8.7	31.8
Pension - undefined plans	224.8	-
Other accrued liabilities	1.3	-
	\$ 234.8	\$ 31.8
Liabilities Subject to Compromise		
Other postretirement benefits ...	\$ 144.4	\$ 185.4
Environmental remediation	200.0	164.8
Retained obligations of divested businesses	56.0	75.5
Special pension arrangements ..	75.5	70.8
Deferred compensation	5.5	8.2
Self insurance reserve	27.5	11.8
Other accrued liabilities	49.5	82.1
	\$ 558.4	\$ 598.6

4. Life Insurance

Grace is the beneficiary of life insurance policies on certain current and former employees with a net cash surrender value of \$87.7 million at March 31, 2003. The policies were acquired to fund various employee benefit programs and other long-term liabilities and are structured to provide cash flow (primarily tax-free) over an extended number of years. The following table summarizes the net cash value at March 31, 2003 and Filing Date:

Components of Net Cash Value	March 31, 2003	Filing Date
Gross cash value	\$ 472.9	\$ 453.7
Principal - policy loans.....	(367.7)	(390.3)
Accrued interest - policy loans....	(17.5)	0.7
Net cash value.....	\$ 87.7	\$ 64.1
Insurance benefits in force	\$ 2,230.1	\$ 2,286.0

Grace's financial statements display income statement activity and balance sheet amounts on a net basis, reflecting the contractual interdependency of policy assets and liabilities.

5. Debt

On March 31, 2003, and Filing Date, Grace's debt was as follows:

Components of Debt (Dollars in millions)	March 31, 2003	Filing Date
Debt payable within one year		
Other short-term borrowings	\$ --	\$ --
	\$ --	\$ --
Debt payable after one year		
DIP facility.....	\$ --	\$ --
Other long-term borrowings.....	--	--
	\$ --	\$ --
Debt Subject to Compromise		
Bank borrowings	\$ 500.0	\$ 500.0
8.0% Notes Due 2004	--	5.7
7.75% Notes Due 2002	--	2.0
Other borrowings	1.0	1.2
Accrued interest	40.7	2.6
	\$ 541.7	\$ 511.5

In April 2001, the Debtors entered into the DIP facility for a two year term in the aggregate amount of \$250 million. The DIP facility is secured by a priority lien on substantially all assets of the Debtors, and bears interest based on LIBOR. The Debtors' have extended the term of the DIP facility for up to an additional three years through April

2006, and modified certain other provisions. Grace had no outstanding borrowings under the DIP facility as of March 31, 2003; however, \$13.5 million of standby letters of credit were issued and outstanding under the facility. The letters of credit, which reduce available funds under the facility, were issued mainly for trade-related matters such as performance bonds, as well as certain insurance and environmental matters.

The 7.75% Notes were repaid on June 11, 2001, and the 8.0% Notes were repaid on August 15, 2001, by the unaffiliated guarantor of the Notes. Grace's liability with respect to these notes is included in other liabilities subject to compromise as of March 31, 2003.

Bank Statements

W R GRACE & CO
C/O CORPORATE ACCOUNTING
7500 GRACE DRIVE
COLUMBIA MD 21044-4098

TS

Account No:
Statement Start Date:
Statement End Date:
Statement Code:
Statement No:

910-1-013572
01 FEB 2003
28 FEB 2003
000-USA-21
002

Page 1 of 4

TRANSACTIONS				BALANCES				ENCLOSURES			
Total Credits	2	207,000.00		Opening (01 FEB 2003)		Closing (28 FEB 2003)		Credits	0		
Total Debits (incl. checks)	19	210,970.06		Ledger		Ledger		Debits	0		
Total Checks Paid	0	0.00		Collected		Collected		Checks	0		

Need to reconcile your accounts as soon as possible? Take advantage of our promotional offer for Internet Statements. Download the statements for your accounts two business days after the statement cycle ends. Search for transactions listed in your statement. Export data as a text or formatted Excel file. Best of all, receive your first three Internet Statements free of charge. Please contact your JPMorgan Relationship Manager for further information.

Ledger Date	Adj Ledger Date	Value Date	F T	Reference	Description	Credit/Debit	Closing Balance	Amount
CREDITS								
07FEB		07FEB	USD	YOUR: TEBC OF 03/02/07 OUR: 0811200038JB	BOOK TRANSFER CREDIT B/O: W.R. GRACE AND COMPANY COLUMBIA MD 21044-4098 REF: HOWT	127,000.00		84,213.45
26FEB		26FEB	USD	YOUR: TEBC OF 03/02/26 OUR: 0930200057JB	BOOK TRANSFER CREDIT B/O: W.R. GRACE AND COMPANY COLUMBIA MD 21044-4098 REF: HOWT	80,000.00		70,854.13
DEBITS								
03FEB 31JAN		31JAN	USD	OUR: 0303400089WA	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 01/31/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	4,390.30		63,493.88
04FEB 03FEB		03FEB	USD	OUR: 0303500093WA	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 02/03/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	13,359.32		48,755.12
LEDGER BALANCES								
03FEB								165,834.26
04FEB								157,981.65
05FEB								146,936.24
06FEB								136,304.16
07FEB								122,574.88
10FEB								110,067.01
11FEB								103,170.96
12FEB								93,539.50
13FEB								80,429.83
14FEB								65,233.45
18FEB								58,789.25
19FEB								45,458.27
20FEB								105,944.89
21FEB								92,128.45
24FEB								84,633.69
25FEB								
26FEB								
27FEB								
28FEB								
COLLECTED BALANCES								
03FEB								84,213.45
04FEB								70,854.13
05FEB								63,493.88

FT CODE: USD - SAME DAY FUNDS US1 - ONE DAY FLOAT US3 - THREE DAY FLOAT US5 - FIVE DAY FLOAT
USDN - NEXT DAY FUNDS US2 - TWO DAY FLOAT US4 - FOUR DAY FLOAT USM - MIXED FLOAT

PLEASE EXAMINE THIS STATEMENT OF ACCOUNT AT ONCE. THE MAINTENANCE OF THIS ACCOUNT IS SUBJECT TO THE PROVISIONS OF THE NEW YORK UNIFORM COMMERCIAL CODE AND THE BANK'S TERMS AND CONDITIONS FOR BUSINESS ACCOUNTS AND SERVICES. THE BANK DISCLAIMS RESPONSIBILITY FOR ANY ERROR IN OR IMPROPER CHARGE TO THE ACCOUNT AS RENDERED UNLESS INFORMED IN WRITING OF THIS ERROR OR CHARGE WITHIN SIXTY DAYS OF THE DELIVERY, MAILING OR AVAILABILITY OF THE STATEMENT AND CANCELED VOUCHERS. KINDLY REFER TO THE INSTRUCTIONS ON THE REVERSE SIDE OF THIS STATEMENT IN ORDER TO DIRECT YOUR INQUIRIES TO THE PROPER DEPARTMENT FOR PROMPT ACTION.

W R GRACE & CO
C/O CORPORATE ACCOUNTING
7500 GRACE DRIVE
COLUMBIA MD 21044-4098

TS

Account No: 910-1-013572
Statement Start Date: 01 FEB 2003
Statement End Date: 28 FEB 2003
Statement Code: 000-USA-21
Statement No: 002
Page 3 of 4

Ledger		Adj	Ledger	Value	F	T	Reference	Credit/Debit	Description	Date	Closing Balance	Amount
Date	Date	Date	Date	Date								
DEBITS CONTINUED												
18FEB	14FEB			14FEB	USD	OUR:	03049000090WA	6,896.05	002-2-416598 FOR WORK OF 02/13/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 02/14/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098			
19FEB	18FEB			18FEB	USD	OUR:	03050000092WA	9,631.46	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 02/18/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098			
20FEB	19FEB			19FEB	USD	OUR:	03051000092WA	13,109.67	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 02/19/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098			
21FEB	20FEB			20FEB	USD	OUR:	03052000092WA	15,196.38	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 02/20/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098			
24FEB	21FEB			21FEB	USD	OUR:	03055000094WA	6,464.20	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 02/21/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098			
25FEB	24FEB			24FEB	USD	OUR:	03056000097WA	13,310.98	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 02/24/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098			
26FEB	25FEB			25FEB	USD	OUR:	03057000094WA	19,513.38	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 02/25/03 W R GRACE & CO C/O CORPORATE			

W R GRACE & CO
C/O CORPORATE ACCOUNTING
7500 GRACE DRIVE
COLUMBIA MD 21044-4098

TS

Account No:
Statement Start Date:
Statement End Date:
Statement Code:
Statement No:

910-1-013572
01 FEB 2003
28 FEB 2003
000-USA-21
002

Page 4 of 4

Ledger		Adj	Ledger	Value	Reference	Credit / Debit		Description	Date	Closing Balance
Date	Date		Date	Date						Amount
DEBITS CONTINUED										
27FEB 28FEB			28FEB		USD OUR: 0305800093WA	13,816.44		ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 02/26/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098		
28FEB 27FEB			27FEB		USD OUR: 0305900096WA	7,494.76		GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 02/27/03 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098		

CHECKS

No Activity

191 Peachtree ST
Atlanta GA 30303

60 TAXPAYER ID

13-5114230

W R GRACE & CO-CONN
7500 GRACE DRIVE
ATTN CORPORATE ACCTING
COLUMBIA MD 21044

Checking Statement

February 15, 2003 - February 28, 2003 (14 days)

Page 1 of 2

No Images

c 0

FOR INFORMATION OR ASSISTANCE CONTACT:

Your Wachovia Banker

Visit our web site at www.wachovia.com

Effective 4/14/03, U.S. dollar checks drawn on banks in Canada, England, France, Germany and Switzerland will be the only countries considered for immediate credit based on eligibility. Foreign checks drawn on any other country must be sent for collection. If you have questions, please contact your local branch.

Commercial Checking Account Summary

Account Number 8619-039102

Previous Balance	+ Deposits & Other Credits		- Checks & Other Debits		= Closing Balance
\$0.00	Deposits	Other Credits	Checks	Other Debits	
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Average Ledger Balance		\$0.00			

Daily Activity and Balance

There was no activity for this statement period.



Commercial Checking

01 2199500021812 036 145 1 0 3,343

WACHOVIA



W R GRACE AND CO-CONN
GENERAL ACCOUNT
ATTN: BONITA HARSH CCM SR CASH MNGR
7500 GRACE DR
COLUMBIA MD 21044

CB

Commercial Checking

2/01/2003 thru 2/28/2003

Account number: 2199500021812
Account holder(s): W R GRACE AND CO-CONN
GENERAL ACCOUNT

Taxpayer ID Number: 135114230

Account Summary

Opening balance 2/01	\$10,668.21
Deposits and other credits	2,061,822.15 +
Other withdrawals and service fees	2,072,490.36 -
Closing balance 2/28	\$0.00

Deposits and Other Credits

	Amount	Description
2/06	39,042.25	DEPOSIT
2/06	727,519.66	DEPOSIT
2/12	100.00	DEPOSIT CORRECTIONS CREDIT
2/12	210.61	DEPOSIT
2/12	1,133,456.69	DEPOSIT
2/25	1,874.68	DEPOSIT
2/25	159,618.26	DEPOSIT
Total	\$2,061,822.15	

Other Withdrawals and Service Fees

Date	Amount	Description
2/06	100,000.00	DEPOSIT CORRECTIONS DEBIT
2/10	666,458.97	FUNDS TRANSFER (ADVICE 030210012976) SENT TO CHASE MANHATTAN B/ BNF=W R GRACE AND CO CONN OBI= RFB= 02/10/03 12:28PM
2/13	822,142.85	FUNDS TRANSFER (ADVICE 030213010940) SENT TO CHASE MANHATTAN B/ BNF=W R GRACE AND CO CONN OBI= RFB= 02/13/03 10:58AM
2/14	260.89	DEPOSITED ITEM RETURNED ADV # 382034

Other Withdrawals and Service Fees continued on next page.



Commercial Checking

01 2199500021812 036 145 1 0 3,343

W R GRACE AND CO-CONN
GENERAL ACCOUNT
ATTN: BONITA HARSH CCM SR CASH MNGR
7500 GRACE DR
COLUMBIA MD 21044

CB

Commercial Checking

2/01/2003 thru 2/28/2003

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2/06	100,000.00	DEPOSIT CORRECTIONS DEBIT
2/10	666,458.97	FUNDS TRANSFER (ADVICE 030210012976) SENT TO CHASE MANHATTAN B/ BNF=W R GRACE AND CO CONN OBI= RFB= 02/10/03 12:28PM
2/13	822,142.85	FUNDS TRANSFER (ADVICE 030213010940) SENT TO CHASE MANHATTAN B/ BNF=W R GRACE AND CO CONN OBI= RFB= 02/13/03 10:58AM
2/14	260.89	DEPOSITED ITEM RETURNED ADV # 382034

Other Withdrawals and Service Fees continued on next page.



Commercial Checking

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Other Withdrawals and Service Fees *continued*

Date	Amount	Description
2/14	312,070.63	FUNDS TRANSFER (ADVICE 030214014078) SENT TO CHASE MANHATTAN B/ BNF=W R GRACE AND CO CONN OBI= RFB= 02/14/03 11:30AM
2/28	171,557.02	FUNDS TRANSFER (ADVICE 030228029144) SENT TO CHASE MANHATTAN B/ BNF=W R GRACE AND CO CONN OBI= RFB= 02/28/03 01:47PM

Total \$2,072,490.36

Daily Balance Summary

Dates	Amount	Dates	Amount	Dates	Amount
2/06	677,230.12	2/13	322,395.60	2/28	0.00
2/10	10,771.15	2/14	10,064.08		
2/12	1,144,538.45	2/25	171,557.02		



Commercial Checking

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W R GRACE & CO-CONN
ATTN: NELLIE FAUSTO
7500 GRACE DRIVE
COLUMBIA MD 21044

CB 025

Commercial Checking

2/01/2003 thru 2/28/2003

Account number: 2079900003615
Account holder(s): W R GRACE & CO-CONN
Taxpayer ID Number: 133461988

Account Summary

Opening balance 2/01	\$0.00
Deposits and other credits	1,928,741.07 +
Other withdrawals and service fees	1,928,741.07 -
Closing balance 2/28	\$0.00

Deposits and Other Credits

Date	Amount	Description
	6,683.71	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
2/06	6,451.83	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
2/11	369,338.70	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
2/12	2,506.60	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
2/12	600,717.76	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
2/13	5,875.07	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
2/13	6,567.65	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
2/14	2,206.52	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
2/18	3,499.31	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
2/19	3,098.24	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
2/20	6,471.99	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
2/21	3,531.77	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
2/25	351,141.42	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
2/28	1,068.05	AUTOMATED CREDIT W.R. GRACE REVERSAL CO. ID. 030226 CCD MISC SETTL NCVGERIDN

Deposits and Other Credits continued on next page.



Commercial Checking

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Deposits and Other Credits *continued*

Date	Amount	Description
2/26	2,429.17	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
2/26	542,247.94	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
2/27	4,279.27	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
2/27	5,701.09	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
2/28	1,068.05	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
2/28	3,856.93	ZBA TRANSFER CREDIT TRANSFER FROM 2000000282172 W.R. GRACE & CO
Total	\$1,928,741.07	

Other Withdrawals and Service Fees

	Amount	Description	
	2,548.69	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030205 CCD MISC C4025-021440948	PMT IMPND
2/05	4,135.02	LIST OF DEBITS POSTED	
2/06	6,451.83	AUTOMATED DEBIT CO. ID. 030206 CCD MISC SETTL NCV CERIDN	PAYROLL
2/11	3,718.89	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030211 CCD MISC C2916-001460183	PMT IMPND
2/11	10,760.19	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030211 CCD MISC C2918-001460184	PMT IMPND
2/11	13,001.98	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030211 CCD MISC C4213-001460222	PMT IMPND
2/11	341,857.64	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030211 CCD MISC C4025-011460216	PMT IMPND
2/12	2,506.60	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030212 CCD MISC C4025-021462891	PMT IMPND
2/12	3,999.79	AUTOMATED DEBIT CO. ID. 030212 CCD MISC SETTL NCV CERIDN	PAYROLL
2/12	24,731.40	AUTOMATED DEBIT REMEDIUM GROUP, PAYROLL CO. ID. 030212 CCD MISC SETTL NCV CERIDN	
	52,093.32	AUTOMATED DEBIT CO. ID. 030212 CCD MISC SETTL NCV CERIDN	PAYROLL

Other Withdrawals and Service Fees continued on next page.

Commercial Checking

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Other Withdrawals and Service Fees *continued*

Date	Amount	Description	
2/12	519,893.25	AUTOMATED DEBIT CO. ID. 030212 CCD MISC SETTL NCV CERIDN	PAYROLL
2/13	5,875.07	LIST OF DEBITS POSTED	
2/13	6,567.65	AUTOMATED DEBIT CO. ID. 030213 CCD MISC SETTL NCV CERIDN	PAYROLL
2/14	2,206.52	LIST OF DEBITS POSTED	
2/18	3,499.31	LIST OF DEBITS POSTED	
2/19	663.55	LIST OF DEBITS POSTED	
2/19	2,434.69	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030219 CCD MISC C4025-021498229	PMT IMPND
2/20	6,471.99	AUTOMATED DEBIT CO. ID. 030220 CCD MISC SETTL NCV CERIDN	PAYROLL
2/21	3,531.77	LIST OF DEBITS POSTED	
	943.90	LIST OF DEBITS POSTED	
	3,682.88	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030225 CCD MISC C2916-001522980	PMT IMPND
2/25	12,850.24	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030225 CCD MISC C4213-001523017	PMT IMPND
2/25	333,664.40	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030225 CCD MISC C4025-011523013	PMT IMPND
2/26	374.56	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030226 CCD MISC C4025-011525752	PMT IMPND
2/26	2,054.61	AUTOMATED DEBIT BNF CTS CO. ID. 1411902914 030226 CCD MISC C4025-021525753	PMT IMPND
2/26	3,999.79	AUTOMATED DEBIT CO. ID. 030226 CCD MISC SETTL NCV CERIDN	PAYROLL
2/26	24,731.45	AUTOMATED DEBIT REMEDIUM GROUP, CO. ID. 030226 CCD MISC SETTL NCV CERIDN	PAYROLL
2/26	514,584.75	AUTOMATED DEBIT CO. ID. 030226 CCD MISC SETTL NCV CERIDN	PAYROLL
2/27	4,279.27	LIST OF DEBITS POSTED	

Other Withdrawals and Service Fees continued on next page.

**Commercial Checking**

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Other Withdrawals and Service Fees *continued*

Date	Amount	Description
2/27	5,701.09	AUTOMATED DEBIT PAYROLL CO. ID. 030227 CCD MISC SETTL NCV CERIDN
2/28	1,068.05	AUTOMATED DEBIT RETURN SETTLE RETURN CO. ID. 030228 CCD MISC SETTL CHREIRE
2/28	3,856.93	LIST OF DEBITS POSTED
Total	\$1,928,741.07	

Daily Balance Summary

Dates	Amount	Dates	Amount	Dates	Amount
2/05	0.00	2/14	0.00	2/25	0.00
2/06	0.00	2/18	0.00	2/26	0.00
2/11	0.00	2/19	0.00	2/27	0.00
2/12	0.00	2/20	0.00	2/28	0.00
2/13	0.00	2/21	0.00		



Merrill Lynch Funds For Institutions

P.O. Box 8118, Boston, MA 02266-8118 (800) 225-1576

W R GRACE & CO - CONN
ATTN TREASURY DEPT
7500 GRACE DR
COLUMBLA MD 21044-4029



Merrill Lynch Premier Institutional Fund

Cumulative Statement for 02/01/2003 - 02/28/2003

Account Number
318-3343175-6

Financial Advisor
H P S Group
(--73807647)

Account Value As Of 02/28/2003
\$5,299.39

Dividends	
02/01/2003 - 02/28/2003	Year To Date
\$5.27	\$11.25

> ACCOUNT INFORMATION IS NOW AVAILABLE
ON-LINE. TO LEARN MORE ABOUT ACCOUNT
ACCESS PLEASE CALL US AT (800) 225-1576.

> THE AVERAGE NET ANNUALIZED YIELD FOR
THE MONTH OF FEBRUARY WAS 1.29%.

Account Activity

Confirm Date	Trade Date	Transaction Description	Dollar Amount of Transaction	Share Price	Balance After Transaction
		Beginning Balance			\$5,294.12
02/28/2003	02/28/2003	Div Reinvest	\$5.27	\$1.00	\$5,299.39
		Ending Balance			\$5,299.39

Account Number 318-3343175-6 (page 1 of 1)



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